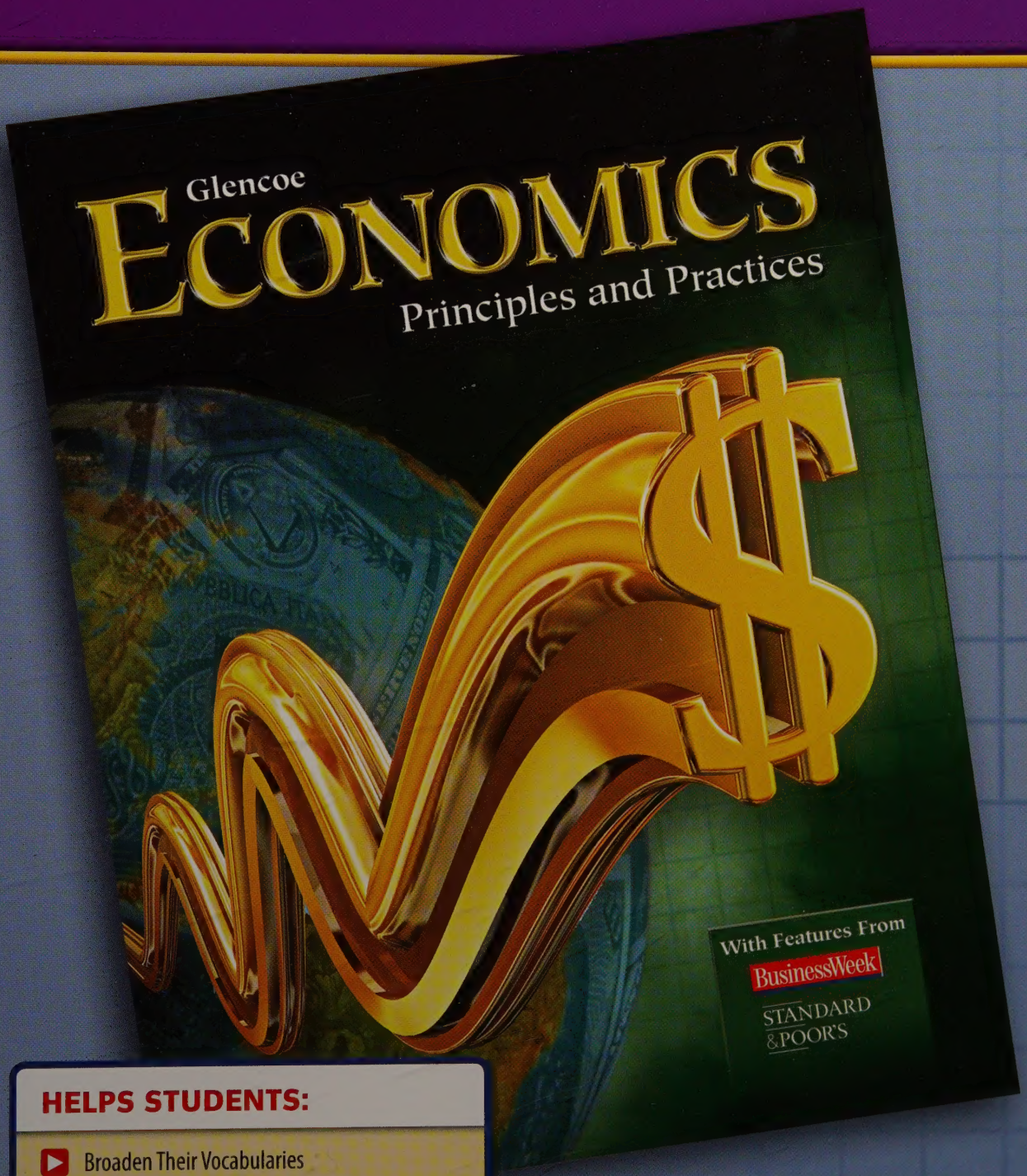
Economic Content Vocabulary Activities



HELPS STUDENTS:

- Broaden Their Vocabularies
- Master Economic Terms
- Review Chapter Content

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ECONOMICS: PRINCIPLES AND PRACTICES

Economic Content Vocabulary Activities

Mc Graw Hill Glencoe

New York, New York Columbus, Ohio Chicago, Illinois Woodland Hills, California

TO THE TEACHER

Economic Content Vocabulary Activities *provide students with practice in using the economic terms introduced in* Economics: Principles and Practices. *The activities may be used as a chapter preteaching tool or as a chapter review and reinforcement guide.*

Each one page activity requires students to apply their knowledge of economic terms in various ways, including crossword puzzles.

Answers to the Economic Content Vocabulary Activities *can be found at the end of the booklet.*

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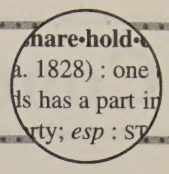

CHAPTER 1: WHAT IS ECONOMICS?

Directions: *Use the clues to spell out the words in the answer blanks. Write the numbered letters on the lines with the corresponding numbers. Then rearrange the letters to identify the way in which people rely on each other to provide goods and services for consumption.*

1. a product intended for final use by an individual

1. _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _
2

2. when factors of production perform only tasks they can do more efficiently than others

2. _ _ _ _ _ _ _ _ _ _ _ _ _ _ _

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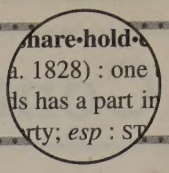

CHAPTER 2: ECONOMIC SYSTEMS AND DECISION MAKING

Directions: *Write one of the following terms on each numbered line below to complete the news report. Two terms are not used.*

Social Security	capitalism	economic system
market economy	fixed income	voluntary exchange
consumer sovereignty	inflation	private property rights
command economy	profit	mixed economy

The kickoff for Governor Ed Ham's bid for reelection began last night with his campaign speech to several hundred senior citizens concerned by the recent rise in **1.** _____, which has brought food prices to a nearly unacceptable level for those living on a **2.** _____. He also spoke to a large group of people who survive only on **3.** _____ payments, which have been threatened by recent attempts of Congress to reduce benefits.

"Our **4.** _____ has not always been successful in providing for the wants and needs of our citizens," Governor Ham said. "You may feel that the **5.** _____ has left you behind and without choices or power to affect what companies produce and charge. What we need to do is go back to the basics of **6.** _____ so that citizens can once again own the factors of production," he added.

When asked how he proposes to carry out his plans, Governor Ham said he believes strongly in benefiting both buyers and sellers with opportunities for a **7.** _____ that will bring more money and **8.** _____ to all. He wants to give **9.** _____ back to the buying public so they can once again rule the market. He also mentioned the need for laws to protect **10.** _____ so people are freer to do what they wish with their possessions.

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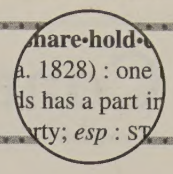

CHAPTER 3: BUSINESS ORGANIZATIONS

Directions: *Read each vocabulary clue on the left, then write the letter of the matching term in the blank space.*

_____ **1.** check transforming a portion of corporate earnings to a stockholder

_____ **2.** noncash charge a firm takes for the general wear and tear on its capital goods

_____ **3.** government document that gives permission to create a corporation

_____ **4.** an amount borrowed

_____ **5.** a combination of two or more businesses to form a single firm

_____ **6.** a corporation that has manufacturing or service operations in a number of different countries

_____ **7.** when an owner is fully responsible for all losses and debts of a business

_____ **8.** organization that promotes the welfare of its member businesses

_____ **9.** the combination of an automobile manufacturer and a tire company, for example

_____ **10.** negotiations between labor and management over such issues as pay and work hours

_____ **11.** financial organization that accepts deposits from, and makes loans to, employees of a company

_____ **12.** sum of net income and noncash charges, such as depreciation

_____ **13.** organization of workers formed to represent its members' interests in various employment matters

_____ **14.** firm of at least four businesses that make unrelated products, none of which is responsible for a majority of its sales

_____ **15.** a company—owned either by investors or a municipality—that offers an essential product to the public, such as electric service

a. merger

b. dividend

c. credit union

d. conglomerate

e. principal

f. multinational

g. unlimited liability

h. depreciation

i. collective bargaining

j. public utility

k. labor union

l. cash flow

m. chamber of commerce

n. charter

o. vertical merger

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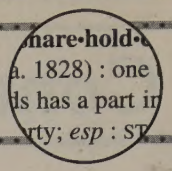

CHAPTER 4: DEMAND

Directions: *Select and write the term that best completes each sentence. In the blank write the word that matches each clue.*

microeconomics	demand curve	elasticity
marginal utility	substitution effect	unit elastic
demand schedule	income effect	inelastic
complements	demand elasticity	Law of Demand

1. _____ is the extra usefulness or satisfaction a person gets from acquiring or using one more unit of a product.
2. A _____ is a listing that shows the various quantities demanded of a particular product at all prices.
3. The change in quantity demanded because of the change in the *relative* price of the product is known as the _____.
4. _____ is the measure of responsiveness that tells how a dependent variable (such as quantity) responds to a change in an independent variable (such as price).
5. This graph, known as the _____, shows the quantity demanded at each and every price that might prevail in the market.
6. _____ deals with behavior and decision making by small units, such as individuals and firms.
7. Demand is _____ when a given change in price causes a proportional change in the quantity demanded.
8. Change in quantity demanded because of a change in price that alters consumers' real income is known as the _____.
9. _____ is the extent to which a change in price causes a change in the quantity demanded.
10. The _____ states that the quantity demanded of a good or service varies inversely with its price.
11. Demand may be _____, which means that a given change in price causes a relatively smaller change in the quantity demanded.
12. Related goods that increase the use of other goods are called _____.

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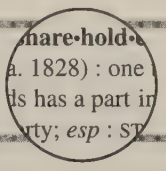


CHAPTER 5: SUPPLY

Directions: *Fill in the terms across and down on the puzzle that match each numbered definition. Many of the answers are more than one word. Include any hyphens in your answer.*

ACROSS

2. production period that allows changes only in variable inputs

6. cost that changes when rate of operation or output changes

8. stage where increasing inputs causes output to increase at a decreasing rate

11. total fixed costs

13. how quantity supplied is affected by price changes

14. production period that allows all inputs to vary

15. production level needed to cover total costs

16. business conducted over the Internet

DOWN

1. all of the output produced by a firm

3. extra output generated by adding one more unit of variable input

4. graph showing how output changes when a single input changes

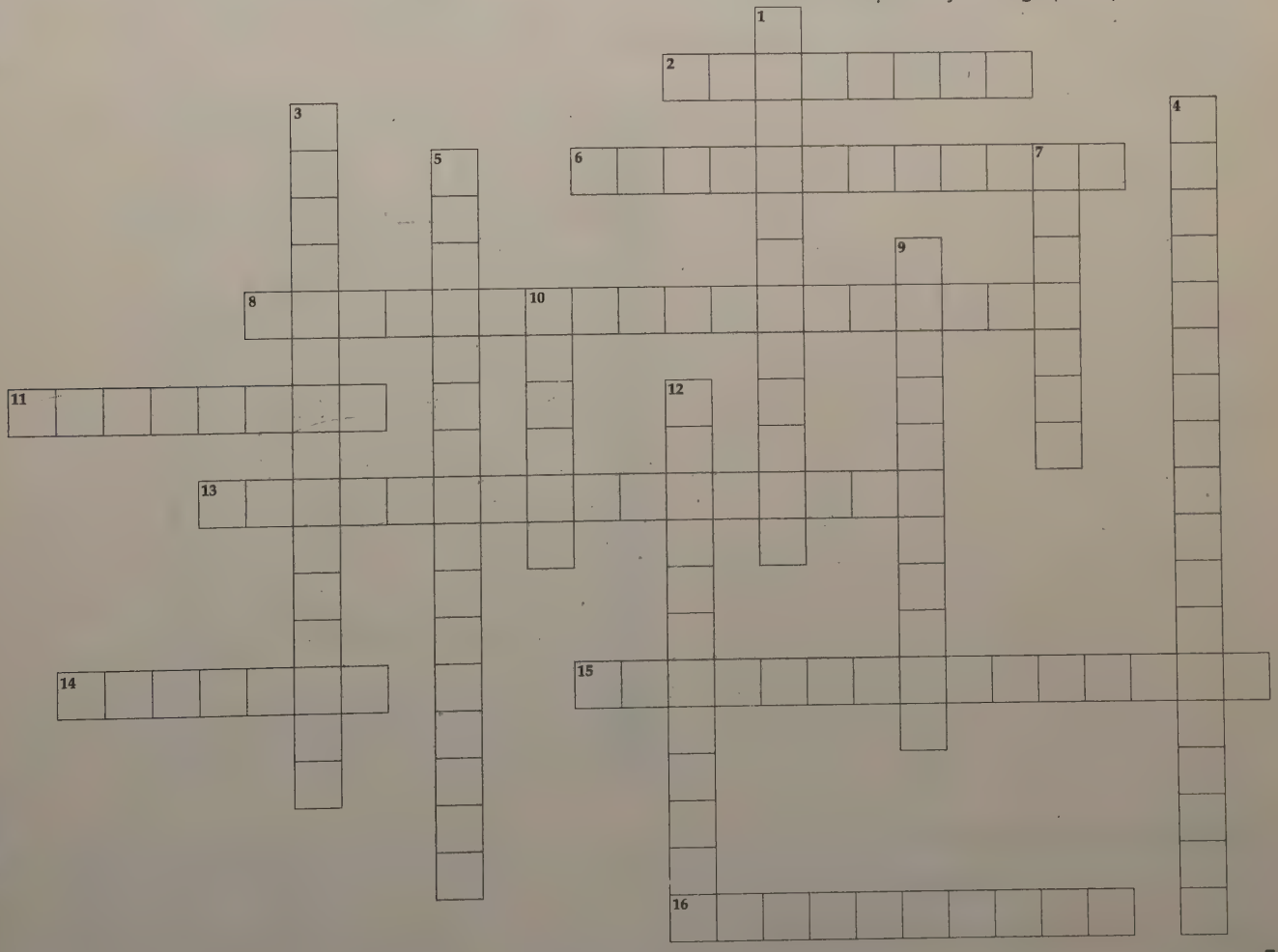
5. amount offered for sale at a given price

7. government payment to protect or encourage economic activity

9. graph showing producers' tendency to offer more for sale at higher prices

10. amount offered for sale at all prices

12. units sold multiplied by average price per unit



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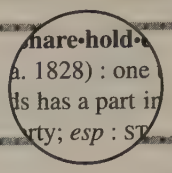
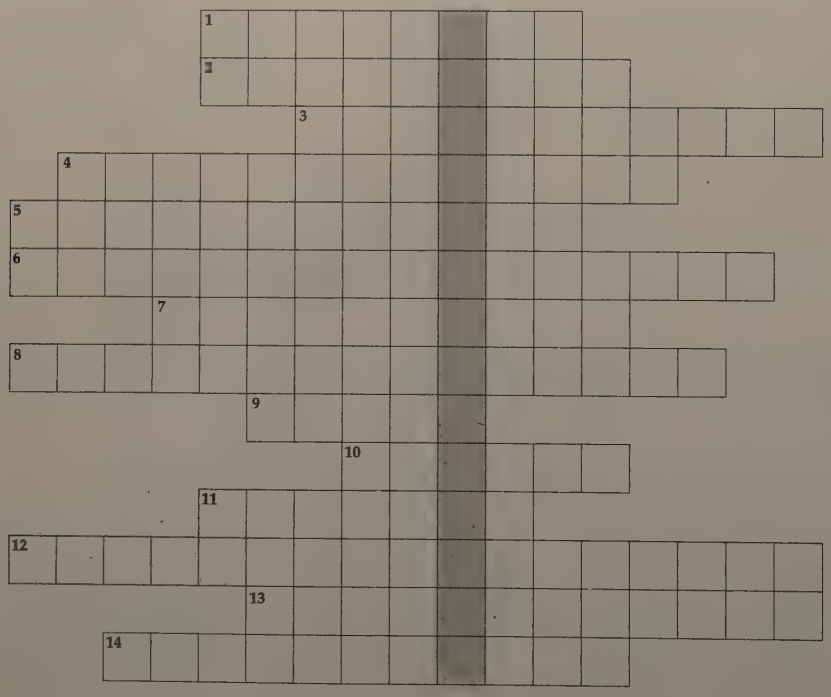


CHAPTER 6: PRICES AND DECISION MAKING

Directions: *Fill in the term for each definition listed below, writing one letter in each box. Use the letters in the highlighted boxes to answer the question that follows.*

1. when the quantity demanded is greater than the quantity supplied
2. system under which a government agency decides fair shares
3. lowest legal amount that can be paid to workers
4. simplified version of behavior expressed as an equation or graph
5. ticket or receipt used to obtain a certain amount of a product
6. price at which there is neither a surplus nor a shortage of a product
7. lowest legal amount that can be paid for a good or a service
8. a loan that carries neither a penalty nor further obligation to repay if not paid back.
9. monetary value of a product as expressed by supply and demand
10. partial refund of the original product price
11. when quantity supplied is greater than quantity demanded
12. check to make up the difference between actual market price and target price
13. maximum legal amount that can be charged for a product
14. floor amount set to stabilize farm prices



What does every seller like to see? _____

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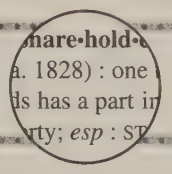

CHAPTER 7: MARKET STRUCTURES

Directions: *Read each vocabulary clue on the left, then write the letter of the matching term in the blank space.*

_____ **1.** a market structure that has all the conditions of perfect competition except for identical products

_____ **2.** philosophy that government should not interfere with business activities

_____ **3.** market structure in which a few large sellers dominate the industry

_____ **4.** formal agreement between firms to set prices or to behave in a cooperative manner

_____ **5.** a market structure that lacks one or more of the conditions of perfect competition

_____ **6.** a market structure with only one seller of a particular product

_____ **7.** a theoretical ideal in which a large number of well-informed independent buyers and sellers exchange identical products

_____ **8.** a monopoly based on ownership or control of a manufacturing method, process, or other scientific advancement

_____ **9.** the nature and degree of competition among firms in the same industry

_____ **10.** situation in which the average cost of production falls as the firm gets larger, thereby justifying the firm to be as large as is necessary to reduce production costs

_____ **11.** combination of corporations or companies organized to hinder competition

_____ **12.** unintended side effect that either benefits or harms a third party not involved in the activity that caused it

_____ **13.** a form of collusion in which firms agree to charge the same or similar prices for a product

_____ **14.** usually involves inadequate competition, inadequate information, resource immobility, public goods, or externalities

a. collusion
b. market structure
c. economies of scale
d. externality
e. monopolistic competition
f. laissez-faire
g. market failure
h. monopoly
i. oligopoly
j. technological monopoly
k. perfect competition
l. imperfect competition
m. price-fixing
n. trust

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share•hold•
a. 1828) : one
ds has a part in
rty; *esp* : ST

CHAPTER 8: EMPLOYMENT, LABOR, AND WAGES

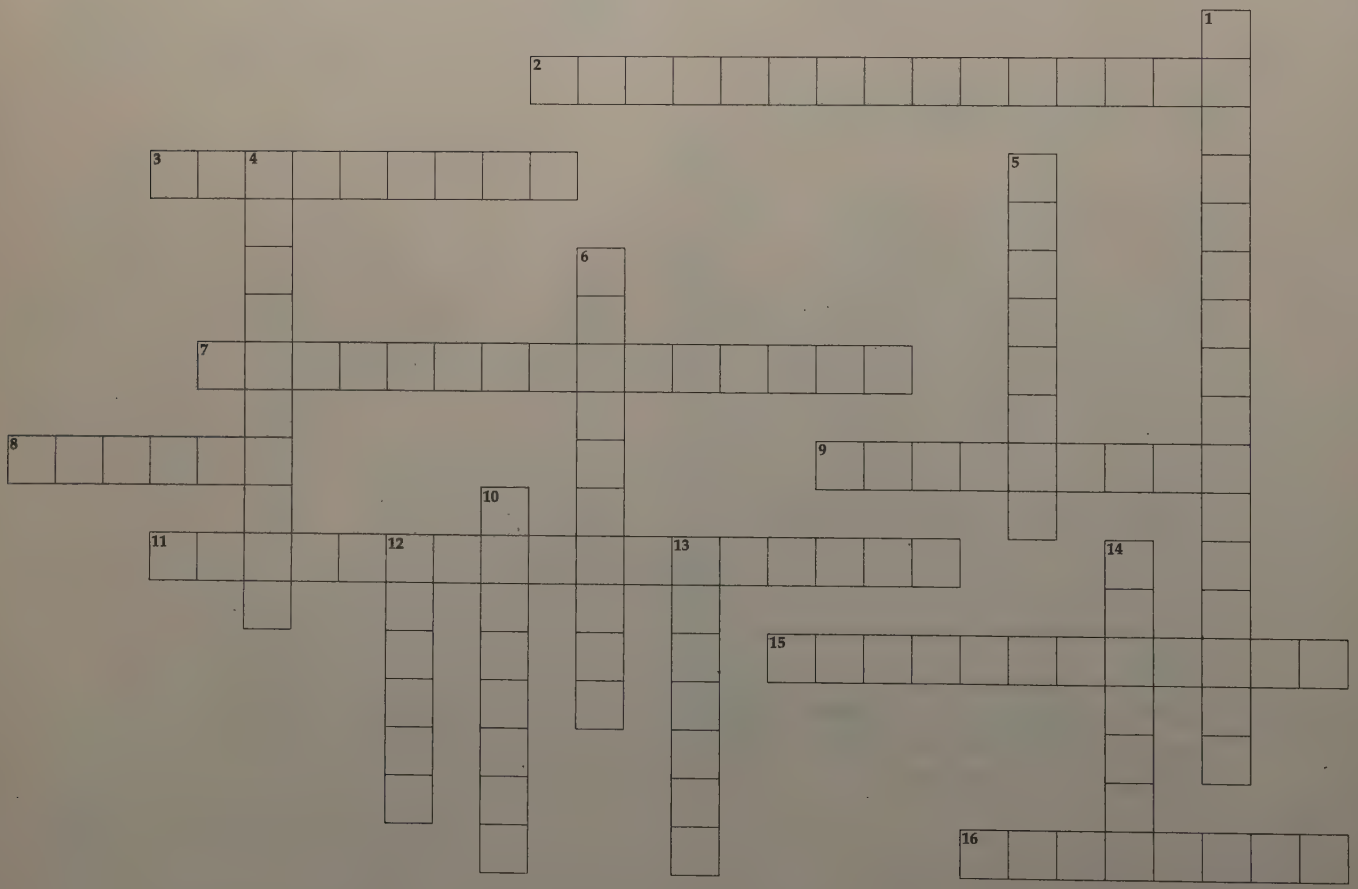
Directions: *Fill in the terms across and down on the puzzle that match each numbered definition. Many of the answers are more than one word.*

ACROSS

2. greatest period of United States' economic decline
3. workers hired must belong to or join a union
7. association of all workers in an industry
8. parade in front of employer's business to advertise a dispute
9. bringing in a third party to help settle a dispute
11. workers with high-level skills
15. invisible barrier hindering advancement of women and minorities
16. standard amount of pay

DOWN

1. a group that does not belong to the AFL-CIO or the Change to Win Coalition
4. court order not to act
5. time that serves as a basis of comparison for all years
6. association of skilled workers who perform the same job
10. wage, benefit, or work rule given up in labor renegotiation
12. refusal to work until certain demands are met
13. refusal to let employees work until management demands are met
14. temporary operations takeover



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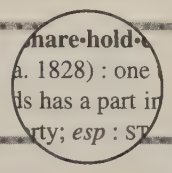

CHAPTER 9: SOURCES OF GOVERNMENT REVENUE

Directions: *Select a term from the box that corresponds with the definition in parentheses to complete this advertisement for a tax service.*

medicare	accelerated depreciation	tax return
FICA	investment tax credit	tax loopholes
gift tax	individual income tax	tax assessor
estate tax	corporate income tax	property tax

Are you anxious about the new tax regulations? Has preparing your **1.** _____ (annual report to the IRS) become more of a nightmare than ever? Then bring your financial headaches to the tax experts. We prepare reports for both **2.** _____ (tax on people's earnings) and **3.** _____ (tax a business pays on profits). Those who are self-employed can find advice on **4.** _____ (federal tax levied for Social Security). Any questions senior citizens have about **5.** _____ (health care program) will be answered clearly and completely. Home owners will get the greatest deductions possible for their **6.** _____ (tax on tangible and intangible possessions), and get some tips on dealing with their local **7.** _____ (person who places value on property for tax purposes). Those with higher incomes will be amazed at our knowledge of the **8.** _____ (tax on the transfer of money or wealth), the **9.** _____ (tax levied on transfer of property when someone dies), and of any **10.** _____ (exceptions or oversights in the tax law). Business owners will be able to take full advantage of the **11.** _____ (tax credit on money spent for tools and equipment), and deductions for **12.** _____ (lessening in value) of their plants and equipment.

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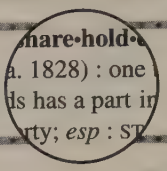

CHAPTER 10: GOVERNMENT SPENDING

Directions: *Select and write the term that best completes each sentence.*

1. The _____ (fiscal year/federal budget) is a 12-month financial planning period that may or may not coincide with a calendar time period.

2. Some states have enacted a _____ (subsidy/balanced budget amendment) to help them hold spending in line with state revenues.

3. _____ (Park projects/Entitlements), such as Medicaid, provide social programs for lower-income people.

4. The _____ (public sector/private sector) consists of federal, state, and local governments.

5. The _____ (federal budget/national debt) is the total amount borrowed from investors to finance deficit spending by the national government.

6. _____ (Discretionary spending/Mandatory spending) must be approved by Congress in the annual budgetary process.

7. A _____ (grant-in-aid/subsidy) is a transfer payment one level of government makes to another.

8. An _____ (entitlement/appropriations bill) is a law that sets federal money aside for a specific purpose.

9. A _____ (balanced budget/trust fund) is a special account that provides money for specific types of expenditures, such as Social Security.

10. The _____ (grant-in-aid/crowding-out effect) is higher than normal interest rates caused by heavy government borrowing.

11. The government's plan outlining proposed revenues and expenditures for the coming year is the _____ (federal budget/federal budget deficit).

12. The _____ (balanced budget amendment/pay-as-you-go provision) is a requirement that new spending proposals or tax cuts must be offset by reductions elsewhere.

13. _____ (Entitlements/Spending caps) are legal limits on annual discretionary spending.

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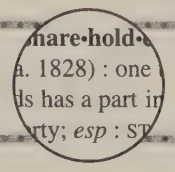
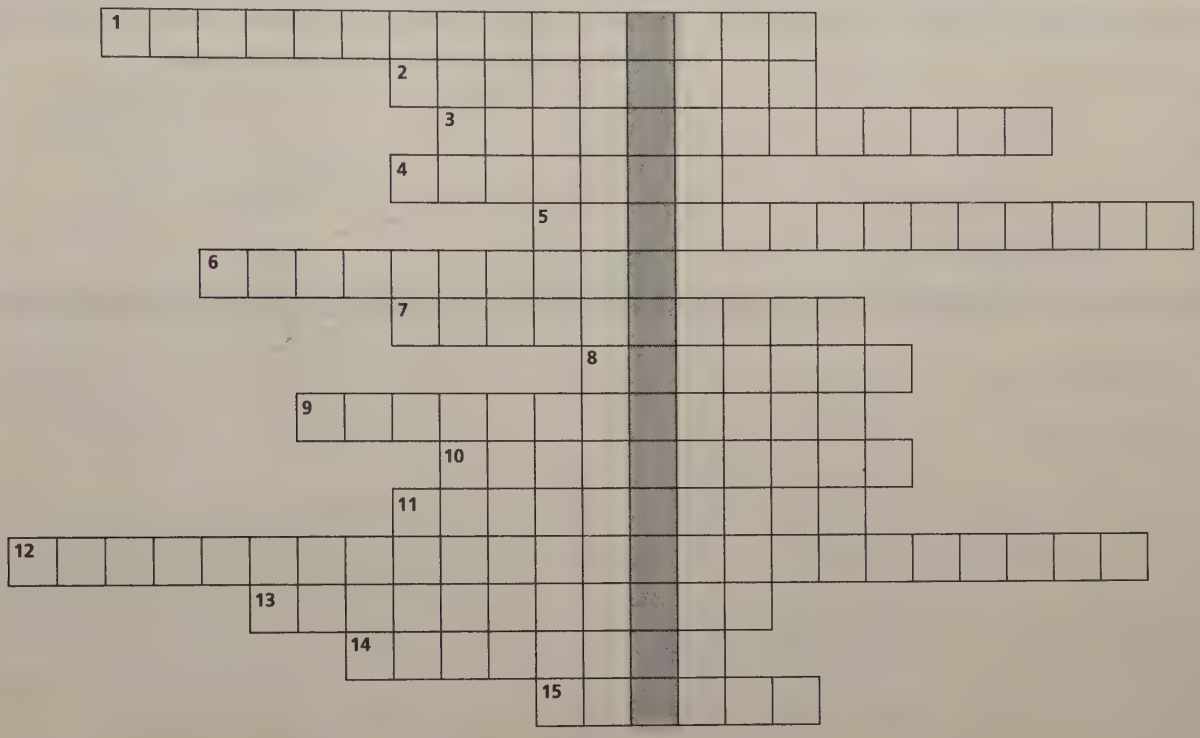


CHAPTER 11: FINANCIAL MARKETS

Directions: *Fill in the term for each definition listed below writing one letter in each box. Use the letters in the highlighted boxes to answer the question that follows.*



1. a network of savers, investors, and financial institutions that work together to transfer savings to investors (2 words)
2. feature where the federal government does not tax interest paid to investors (2 words)
3. issued by state or local government to raise funds (2 words)
4. a regular payment intended to provide income security to a retiree
5. claims on the borrower's income and property (2 words)
6. company that sells stock in itself and then invests the money in stocks or bonds issued by other corporations (2 words)
7. when prices of equities move sharply down for several months or years in a row (2 words)
8. price paid by the insured for a policy
9. the annual interest of a bond divided by its purchase price (2 words)
10. when prices of equities move up for several months or years in a row (2 words)
11. market in which a transaction is made immediately at the prevailing price (2 words)
12. the practice of holding a large number of stocks so that increases in some can offset declines in others (2 words)
13. a person whose profession is to buy and sell equities for others
14. another name for stocks that represent ownership shares in a corporation
15. a special features contract that gives the buyer the right to cancel the contract

What is the name of the market in which financial assets can be resold to new owners?

_____

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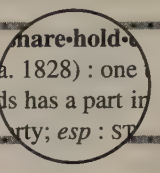

CHAPTER 12: MACROECONOMIC PERFORMANCE

Directions: *Select and write the term that best completes each sentence.*

disposable personal income	personal income	enterprise zones
macroeconomics	household	Gross National Product
dependency ratio	workfare	center of population
population pyramid	demographer	Medicaid
nonmarket transactions	Lorenz Curve	fertility rate

1. The smallest measure of income equal to the total income of the consumer sector after income taxes, is known as _____.
2. _____ is the branch of economics that deals with the economy as a whole.
3. The dollar value of all final goods, services, and structures produced in one year is the _____.
4. This distribution measure, known as the _____, is the point where the country would balance if it was laid flat and all people weighed the same.
5. _____ is the total amount of income before individual income taxes are subtracted.
6. The _____ is the number of children and elderly people in the population for every 100 persons aged 18–64.
7. A _____ is a type of bar graph that breaks down the population by age and gender.
8. Economic activities that do not generate expenditures in the market are called_____.
9. The _____ is the number of births that 1,000 women are expected to undergo in their lifetime.
10. The _____ shows how the actual distribution of income varies from an equal distribution.
11. Special _____ are areas where companies can locate free of some local, state, and federal tax laws and other operating restrictions.
12. _____ is a social service program in which welfare recipients work for their benefits.
13. _____ is a joint federal-state health insurance program for low-income people.
14. The largest sector in the economy is the _____ sector.
15. A _____ studies growth, density, and other characteristics of population.

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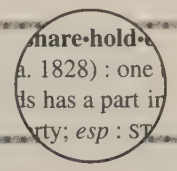

CHAPTER 13: ECONOMIC INSTABILITY

Directions: *Use the clues to spell out words in the answer blanks. Write the numbered letters on the lines with the corresponding numbers. Then rearrange the letters to identify the term used to describe the practice of hiring outside firms to perform non-core operations to lower operating costs.*

1. kind of unemployment that is caused when workers with few skills are replaced by machines that do their jobs

1. _ _ _ _ _ _ _ _ _ _ _ _ _ _ _
5 3

2. kind of unemployment related to swings in the business cycle

2. _ _ _ _ _ _ _ _
8

3. state of the economy with large numbers of people out of work, acute supply shortages, and excess capacity in manufacturing plants

3. _ _ _ _ _ _ _ _ _ _ _
6

4. period during which real GDP declines for two quarters in a row, or six consecutive months

4. _ _ _ _ _ _ _ _ _
1

5. kind of unemployment that results from changes in the weather or in the demand for certain products and that takes place every year regardless of the health of the economy

5. _ _ _ _ _ _ _ _
7

6. ups and downs of real GDP

6. _ _ _ _ _ _ _ _ _ _ _ _ _
10

7. kind of unemployment that occurs when a fundamental change in the economy reduces the demand for workers and their skills

7. _ _ _ _ _ _ _ _ _ _ _ _
4

8. turnaround point where real GDP stops going down

8. _ _ _ _ _ _ _
11

9. rise in prices ranging from 1 to 3 percent per year

9. _ _ _ _ _ _ _ _ _
2

10. kind of model that uses algebraic equations to describe how the economy behaves

10. _ _ _ _ _ _ _ _ _ _ _ _
9

_ _ _ _ _ _ _ _ _ _ _
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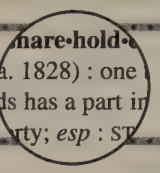
Content Vocabulary Activity



CHAPTER 14: MONEY, BANKING, AND THE FED

Directions: *Read each vocabulary clue on the left, then write the letter of the matching term in the blank space.*

_____ **1.** something accepter by all parties as payment for goods and services

_____ **2.** a bank that can lend to other banks in times of need

_____ **3.** a moneyless economy that relies on trade

_____ **4.** the percentage of every deposit that a bank must set aside as legal reserves

_____ **5.** flat currency that must be accepted in payment for debts

_____ **6.** a privately owned bank that receives its operating charter from the federal government

_____ **7.** quality of money that allows purchasing power to be saved until needed

_____ **8.** short run changes in the availability and cost of credit in order to influence the general level of economic activity

_____ **9.** the lowest rate of interest commercial banks charge their best customers

_____ **10.** money that has an alternative use as an economic good, such as tea leaves or animal pelts

_____ **11.** the buying and selling of government securities in financial markets

_____ **12.** represents the bank's lending power and can be loaned out

_____ **13.** money in the form of silver or gold coins

_____ **14.** the interest the Fed charges on loans to financial institutions

_____ **15.** the privately owned, publicly controlled central bank of the United States

a. barter economy

b. discount rate

c. reserve requirement

d. store of value

e. the Fed

f. excess reserves

g. medium of exchange

h. prime rate

i. legal tender

j. national bank

k. commodity money

l. open market operations

m. specie

n. monetary policy

o. central bank

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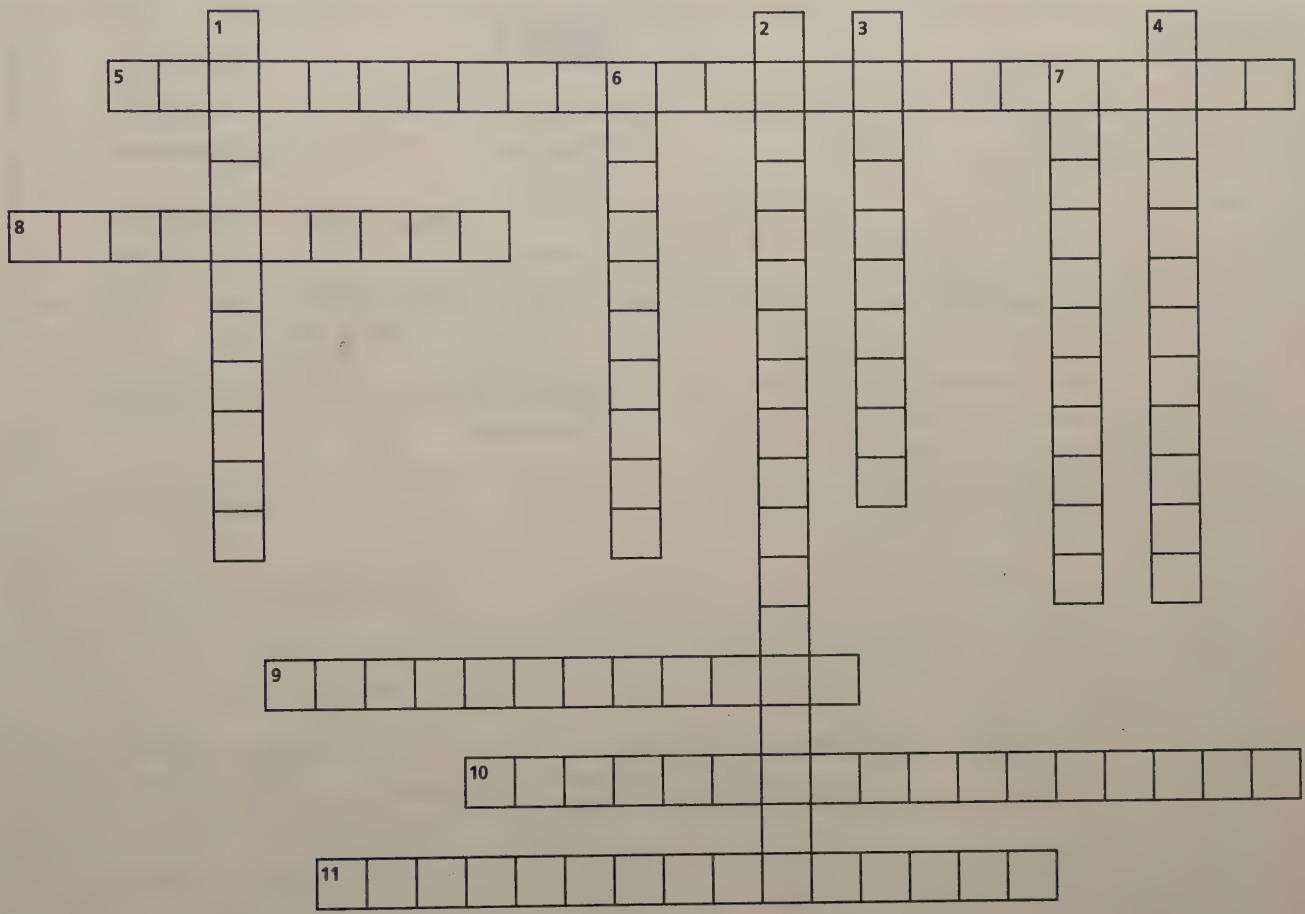
CHAPTER 15: ECONOMIC STABILIZATION POLICIES

Directions: *Fill in the terms across and down on the puzzle that match each numbered definition. Many of the answers are more than one word.*



ACROSS

5. intersection of the aggregate supply and demand curves

8. economic policies designed to stimulate output and lower unemployment by increasing production rather than stimulating demand

9. government relaxation or removal of rules that restrict certain economic activities

10. regulations making raises in workers' pay or prices illegal without government permission

11. total value of goods and services that all firms would produce in a specific time period at various price levels

DOWN

1. change in investment spending caused by a change in total spending

2. economic policies designed to lower unemployment by stimulating aggregate demand

3. idea that a change in investment spending will have a magnified effect on total spending

4. use of government spending and taxation to influence economic activity

6. economic policy that places primary importance on the role of money in the economy

7. individuals born between 1946 and 1964

8. difference between the actual and potential Gross Domestic Product that could be produced if all resources were used

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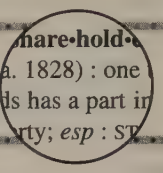


CHAPTER 16: INTERNATIONAL TRADE

Directions: *Fill in the terms across and down on the puzzle that match each numbered definition. Many of the answers are more than one word.*

ACROSS

4. difference between money paid to and received from other nations

7. where currencies from other countries are bought and sold

8. system in which forces of supply and demand establish currency value among nations

10. one who favors trade barriers

11. occurs when the value of products imported exceeds the value of exports

12. occurs when a country can produce more of a given product than another country

13. belief that new businesses should be protected from foreign competition

DOWN

1. tax placed on imports

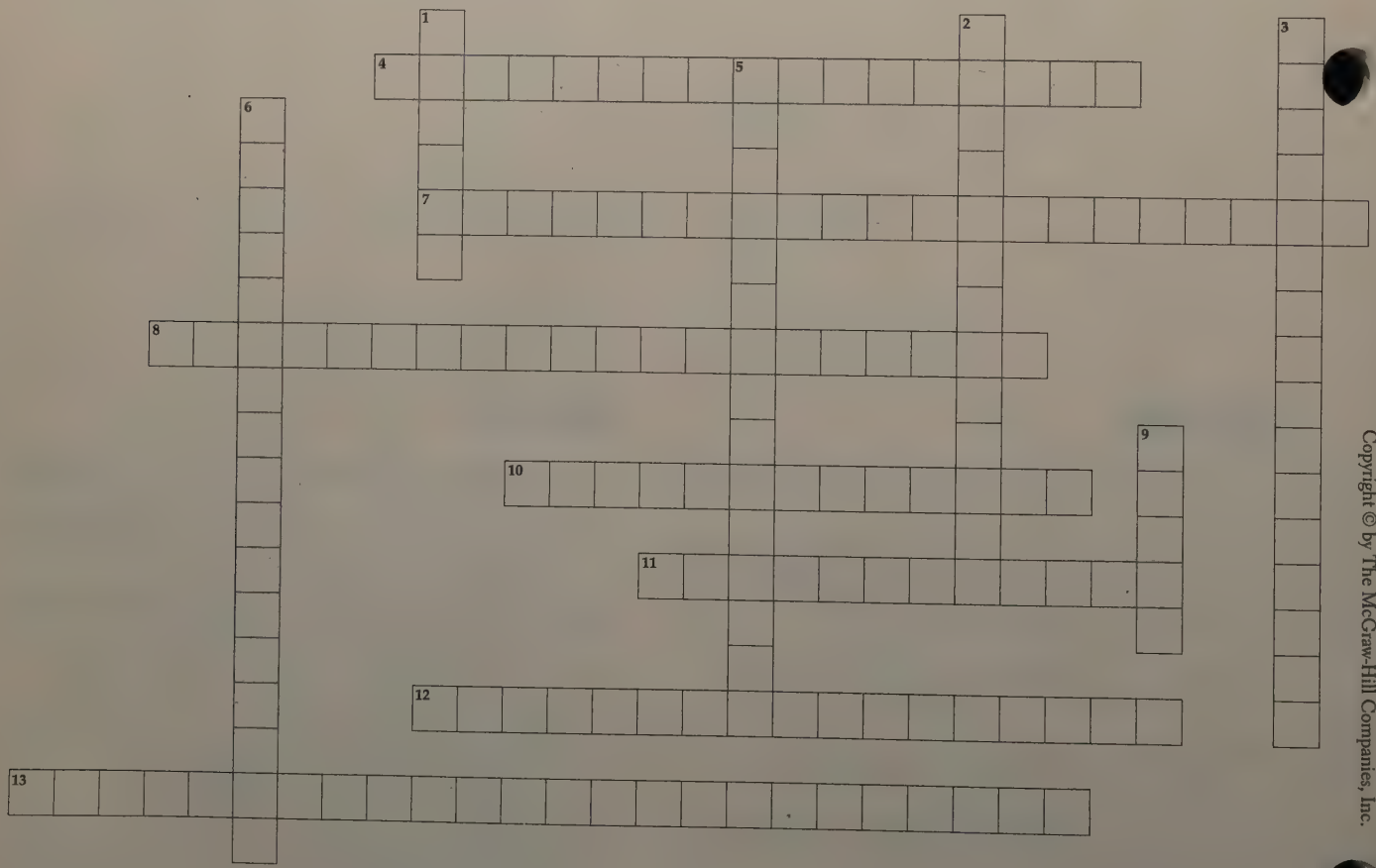
2. tax designed to raise money without prohibiting imports

3. tax placed high enough to protect domestic industry

5. other countries' currencies

6. price of one country's currency set in terms of another country's currency

9. limit placed on quantities of a product that can be imported



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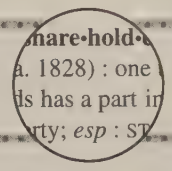

CHAPTER 17: DEVELOPING COUNTRIES

Directions: *Select and write the term that best completes each sentence.*

World Bank	developing country	external debt
capital flight	collectivization	primitive equilibrium
life expectancy	expropriation	customs union
privatization	cartel	Perestroika
default	European Union	free-trade area

1. In an act of _____, a developing country takes over foreign property without financial compensation.
2. The _____ is an international corporation that makes loans and provides financial assistance and advice to developing countries.
3. Most of the people in the world today live in a _____, where the average GNP is a fraction of that in more industrialized countries.
4. In a _____, two or more countries sign an agreement that they will abolish tariffs and trade restrictions among themselves and adopt uniform tariffs for non-member nations.
5. The average remaining lifetime in years for a person who reaches a certain age is called _____.
6. _____ is the legal or illegal export of a nation's currency and foreign exchange.
7. An _____ is the money a nation borrows from foreign banks and governments.
8. The initial stage in economic development is _____. Often, there is no monetary system and the people, or country, may not be economically motivated.
9. A _____ is an agreement in which two or more countries reduce tariffs and trade barriers among themselves but it does not try to set uniform tariffs for nonmembers.
10. The _____ is a single unified market that consists of 25 nations.
11. A _____ is a group of producers or sellers who agree to limit the production or sale of a product in order to control prices.
12. The conversion of state-owned factories and other property to private ownership is called _____.
13. Central economic planning extends to agriculture with the introduction of _____, or the forced common ownership of all agricultural, industrial, and trading enterprises.
14. After Mikhail Gorbachev assumed power in the Soviet Union in 1985, he introduced _____, the restructuring of the Soviet economy.
15. To fail to pay borrowed money is to _____.

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Content Vocabulary Activity

CHAPTER 18: GLOBAL ECONOMIC CHALLENGES

Directions: *Use the clues to spell out words in the answer blanks. Write the numbered letters on the lines with the corresponding numbers. Then rearrange the letters to identify the economic system in the United States.*

1. substantial oversupply

1. _ _ _ _ _ _ _ _ _
9

2. fossil fuels and other substances that may only last a few more generations

2. _ _ _ _ _ _ _ _

ANSWER KEY

Chapter 1

1. Consumer good
2. Specialization
3. Trade-offs
4. Scarcity
5. Opportunity cost
6. Durable good
7. Utility
8. Entrepreneur
9. Labor
10. Productivity
11. Service
12. Free enterprise economy

Economic interdependence

Chapter 2

1. Inflation
2. Fixed income
3. Social Security
4. Economic system
5. Market economy
6. Capitalism
7. Voluntary exchange
8. Profit
9. Consumer sovereignty
10. Private property rights

Chapter 3

1. b
2. h
3. n
4. e
5. a
6. f
7. g
8. m
9. o
10. i
11. c
12. l
13. k
14. d
15. j

Chapter 4

1. Marginal utility
2. Demand schedule
3. Substitution effect
4. Elasticity
5. Demand curve
6. Microeconomics
7. Unit elastic
8. Income effect
9. Demand elasticity
10. Law of Demand
11. Inelastic
12. Complements

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ANSWER KEY

Chapter 5

1. TOTAL PRODUCT
2. SHORT RUN
3. MARGINAL PRODUCT
4. PRODUCTION FUNCTION
5. QUANTITY SUPPLIED
6. VARIABLE COST
7. SUBSIDY
8. DIMINISHING RETURNS
9. SUPPLY CURVE
10. SUPPLY
11. OVERHEAD
12. TOTAL REVENUE
13. SUPPLY ELASTICITY
14. LONG RUN
15. BREAK-EVEN POINT
16. E-COMMERCE

Chapter 6

1. SHORTAGE
2. RATIONING
3. MINIMUM WAGE
4. ECONOMIC MODEL
5. RATION COUPON
6. EQUILIBRIUM PRICE
7. PRICE FLOOR
8. NONRECOURSE LOAN
9. PRICE
10. REBATE
11. SURPLUS
12. DEFICIENCY PAYMENT
13. PRICE CEILING
14. TARGET PRICE

AN IMPULSE BUYER

Chapter 7

1. e
2. f
3. i
4. a
5. l
6. h
7. k
8. j
9. b
10. c
11. n
12. d
13. m
14. g

Chapter 8

1. INDEPENDENT UNION
2. GREAT DEPRESSION
3. UNION SHOP
4. INJUNCTION
5. BASE YEAR
6. CRAFT UNION
7. INDUSTRIAL UNION
8. PICKET
9. MEDIATION
10. GIVEBACK
11. PROFESSIONAL LABOR
12. STRIKE
13. LOCKOUT
14. SEIZURE
15. GLASS CEILING
16. WAGE RATE

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ANSWER KEY

Chapter 9

1. tax return
2. individual income tax
3. corporate income tax
4. FICA
5. Medicare
6. property tax
7. tax assessor
8. gift tax
9. estate tax
10. tax loopholes
11. investment tax credit
12. accelerated depreciation

Chapter 10

1. fiscal year
2. balanced budget amendment
3. Entitlements
4. public sector
5. national debt
6. Discretionary spending
7. grant-in-aid
8. appropriations bill
9. trust fund
10. crowding-out effect
11. federal budget
12. pay-as-you-go provision
13. Spending caps

Chapter 11

1. Financial system
2. Tax-exempt
3. Municipal bond
4. Pension
5. Financial asset
6. Mutual fund
7. Bear market
8. Premium
9. Current yield
10. Bull market
11. Spot market
12. Portfolio diversification
13. Stockbroker
14. Equities
15. Option

Secondary market

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ANSWER KEY

Chapter 12

1. disposable personal income
2. Macroeconomics
3. Gross National Product
4. center of population
5. Personal income
6. dependency ratio
7. population pyramid
8. nonmarket transactions
9. fertility rate
10. Lorenz Curve
11. enterprise zones
12. workfare
13. Medicaid
14. household
15. demographer

Chapter 13

1. TECHNOLOGICAL
2. CYCLICAL
3. DEPRESSION
4. RECESSION
5. SEASONAL
6. BUSINESS CYCLES
7. STRUCTURAL
8. TROUGH
9. CREEPING INFLATION
10. ECONOMETRIC

OUTSOURCING

Chapter 14

1. g
2. o
3. a
4. c
5. i
6. j
7. d
8. n
9. h
10. k
11. l
12. f
13. m
14. b
15. e

Chapter 15

1. ACCELERATOR
2. KEYNESIAN ECONOMICS
3. MULTIPLIER
4. FISCAL POLICY
5. MACROECONOMIC EQUILIBRIUM
6. MONETARISM
7. BABY BOOMERS
8. SUPPLY-SIDE
9. DEREGULATION
10. WAGE-PRICE CONTROLS
11. AGGREGATE SUPPLY

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ANSWER KEY

Chapter 16

1. TARIFF
2. REVENUE TARIFF
3. PROTECTIVE TARIFF
4. BALANCE OF PAYMENTS
5. FOREIGN EXCHANGE
6. FIXED EXCHANGE RATE
7. FOREIGN EXCHANGE MARKET
8. FLEXIBLE EXCHANGE RATE
9. QUOTA
10. PROTECTIONIST
11. TRADE DEFICIT
12. ABSOLUTE ADVANTAGE
13. INFANT INDUSTRIES ARGUMENT

Chapter 17

1. Expropriation
2. World Bank
3. Developing country
4. Customs union
5. Life expectancy
6. Capital flight
7. External debt
8. Primitive equilibrium
9. Free-trade area
10. European Union
11. Cartel
12. Privatization
13. Collectivization
14. Perestroika
15. Default

Chapter 18

1. Glut
2. Nonrenewable resources
3. Globalization
4. Pollution
5. Subsistence
6. Cost-benefit analysis
7. Gasohol
8. Acid rain
9. Pollution permit
10. Comparative advantage

Modified free enterprise economy

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